

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
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**CONTACT: 99 - 11  
JAY ZIEGLER  
HELAINE KLASKY  
(202) 395-3230**

**U.S. TRADE REPRESENTATIVE WELCOMES WTO ACTION ON BANANAS**

Today United States Trade Representative Charlene Barshefsky announced that, "as a result of a meeting today at the World Trade Organization (WTO), the United States will move forward in exercising its rights arising from the EU's failure to comply with its WTO obligation to implement a WTO-consistent banana regime by January 1, 1999."

Until today, the EU had been using various procedural maneuvers to try to prevent the Dispute Settlement Body from considering the U.S. request, including taking the extraordinary step of trying to prevent the WTO meetings from taking place. The Chairman of the Dispute Settlement Body overruled the EU's procedural objections. At today's meeting in Geneva, the EU decided to exercise its right to request WTO arbitration on the amount of the U.S. proposed suspension of concessions, which the United States estimated at \$520 million. WTO rules allow the EC to question this amount and to submit it to WTO arbitration. Such arbitration is normally conducted by the original panel in the dispute.

According to WTO rules, the arbitration must be completed before March 2, and the WTO Dispute Settlement Body will authorize the U.S. suspension of concessions immediately thereafter.

"We have repeatedly stated that the U.S. suspension of concessions would not take effect until after WTO arbitration on the amount. We hope that the EU will use this time to negotiate a substantive solution to this dispute. Toward this end, we have requested consultations with the EU under WTO consultation procedures," stated Ambassador Charlene Barshefsky.